

# **Tax advocates warn of fraud, missed benefits**

Tax time can be rife with emotion as filers anticipate a refund or worry they may owe. But what filers may not consider is that the tax season is an opportune time for fraudsters to take advantage of unsuspecting victims.

Dana Goldstein, attorney with Community Legal Aid's Low-Income Taxpayer Clinic, stressed that filers are responsible for the information listed on their returns. False or inaccurate information can lead to problems with the IRS as well as state and local tax departments.

Goldstein urged filers to have returns completed by someone who is both competent and trustworthy, citing particular concern for immigrant and refugee filers with limited-English proficiency.

The non-profit firm has seen first hand the harm done when tax preparation becomes a vehicle for fraud. Scammers, who often hold a position of trusted authority within the immigrant community, may fabricate income, create false households, or wrongfully claim children on a return and then collect the fraudulent refunds for themselves.

"Language barriers, cultural expectations, and trust issues can drive immigrants to rely on preparers who speak their native language or have a known connection with their community," Goldstein shared, adding that unfortunately it also puts them at greater risk of fraud.

A fraudulent return not only gets the taxpayer in trouble with the IRS, it can threaten efforts to obtain citizenship. Widespread fraud concerns prompted Legal Aid to create a [partner toolkit](#) that includes fraud warning flyers in multiple languages including Swahili, Ukrainian, and Spanish. The toolkit has been shared with partner organizations throughout its eight-county service area in efforts to protect the immigrant community.

Warning signs of a fraudulent preparer might include offering to prepare a return for free; promising a refund within 48 hours, promising a refund without reviewing documents, and a preparer that does not list their name or provide an Electronic Filing Identification Number (EFIN) number on the return.

In addition to fraud concerns, advocates worry that some caregivers may miss out on credits, particularly the 2021 Expanded Child Tax Credit. This tax credit provided up to \$3600 per qualifying child and, for the first and only time, households did not need earned income to receive the benefit.

An online portal was provided so qualifying parents or caregivers could claim the credit if they otherwise were not required to file taxes. That portal was shut down in 2022, leading some to believe it was too late to claim the credit. However, that is not the case.

Qualifying caregivers, such as grandparents or kinship care providers, who had minor children in their household in 2021 can still claim the credit by filing a 2021 tax return.

“The Expanded Child Tax Credit was a game-changer when it came to lifting children out of poverty,” Goldstein explained. “We want parents and caregivers to have every opportunity to claim any funds they are yet entitled to receive,” she added.

Goldstein recommended using an IRS certified tax preparer to ensure an accurate return and avoid fraud. Free tax preparation is available through the Volunteer Income Tax Assistance (VITA) program for income eligible individuals. VITA services can be found by calling (800) 906-9877 or by visiting [irs.treasury.gov/freetaxprep](https://irs.treasury.gov/freetaxprep).

Last updated on February 28, 2023.

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